

Message Text

CONFIDENTIAL

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ACTION AF-10

INFO OCT-01 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01
CIAE-00 COME-00 DODE-00 EB-08 FPC-01 H-01 INR-07
INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06
OES-06 SP-02 SS-15 STR-04 TRSE-00 ACDA-07 PA-01
PRS-01 /100 W

-----301030Z 079304 /14

P 300948Z APR 77

FM AMEMBASSY MONROVIA

TO SECSTATE WASHDC PRIORITY 4530

C O N F I D E N T I A L MONROVIA 2957

E.O. 11652: GDS

TAGS: EINV, ENRG, LI

SUBJECT: LIBERIA REFINING COMPANY (LRC)

REF: MONROVIA 2946

1. AMBASSADOR HAS RECEIVED COPY OF LETTER MENTIONED IN PAR.
4 REFTEL AND ADDRESSED TO F.E. BUCHANAN, PRESIDENT, SUN TRADING
AND MARINE TRANSPORT. THIS LETTER DATED APRIL 29 WAS SIGNED BY
FINANCE MINISTER PHILLIPS.

2. SINCE LETTER PROVIDES DETAILS OF GOL POSITION ON NEGOTIATIONS
FOR SALE OF SUN'S EQUITY IN LRC, IT IS QUOTED IN FULL AS FOLLOWS:

"I REFER TO YOUR LETTER OF APRIL 6, 1977 OFFERING TO SELL ALL OF
SUN TRADING AND MARINE TRANSPORT'S (SUN'S) INTERESTS IN THE
LIBERIA REFINING COMPANY TO THE GOVERNMENT OF LIBERIA FOR DOLS 9
MILLION. IT IS DISAPPOINTING TO NOTE THAT AT A PREVIOUS MEETING
WITH MR. GLAZIER AND OTHER SUN OFFICIALS ON JANUARY 28
1977, I WAS INFORMED THAT SUN'S SHARE OF THE DEPRECIATED VALUE
OF THE FIXED ASSETS WAS DOLS 7 MILLION, AND I WAS LED TO
UNDERSTAND THAT SUN WOULD ACCEPT A LESSER FIGURE.

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I MET MR. GLAZIER AGAIN ON APRIL 25, 1977 AND INFORMED HIM THAT
GOVERNMENT WOULD CONSIDER THE OFFER AT A MEETING
OF THE CONCESSION AND INVESTMENT COMMISSION. THIS MEETING HAS TAKEN
PLACE AT WHICH IT WAS DECIDED TO REJECT YOUR OFFER AND SUBSTITUTE
A COUNTER PROPOSAL. RATHER THAN ACQUIRE SUN'S INTERESTS IN LRC,
GOVERNMENT WISHES TO ACQUIRE ALL OF LRC'S FIXED ASSETS (PHYSICAL
PLANT) FREE OF ANY ENCUMBRANCES, AND IS WILLING TO OFFER DOLS

1.5 MILLION THEREOF. IT IS APPRECIATED THAT SUN WILL BE OBLIGED TO INFORM THE MINORITY SHAREHOLDERS OF LRC OF THIS OFFER AND THAT GOVERNMENT WILL OFFER TO THEM THE OPPORTUNITY TO PARTICIPATE IN ANY NEW COMPANY THAT WOULD BE FORMED TO OPERATE THE REFINERY IN THE SAME PROPORTION AS THEIR PRESENT PARTICIPATION.

IN THE INTERIM, AS A GESTURE OF GOOD FAITH, THE PRICING COMMISSION HAS RECOMMENDED AN AVERAGE PRICE INCREASE OF 4 CENTS PER GALLON TO BE APPLIED IMMEDIATELY AFTER PRESIDENTIAL APPROVAL IS OBTAINED. THE PRESIDENT'S DECISION SHOULD BE MADE WITHIN APPROXIMATELY ONE WEEK. THE PRICE INCREASE IS NOT CONDITIONAL ON LRC'S ACCEPTANCE OF GOVERNMENT'S OFFER.

LASTLY, SHOULD LRC ACCEPT THIS OFFER, GOVERNMENT WILL MAKE A SEPARATE OFFER FOR LRC'S INVENTORIES OF CRUDE, REFINED PETROLEUM PRODUCTS AND SPARE PARTS AS OF THE DATE OF ACQUISITION OF THE FIXED ASSETS."
CARTER

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TEXT, PUBLIC CORRESPONDENCE, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Sent Date: 30-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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TAGS: EINV, ENRG, LI, LIBERIA REFINING CO, (PHILLIPS, JAMES T JR), (BUCHANAN, FE)
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